



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

P.O. Box 94214
BATON ROUGE, LOUISIANA 70804-9214
PHONE (225) 342-5900
FAX (225) 342-3078
<http://wwwildi.ildi.state.la.us>

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PHARMACY FEES

TO: INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, THIRD PARTY ADMINISTRATORS, AND SELF-INSURANCE FUNDS

Senate Resolution Number 53 passed in the 2001 Regular Session directs the Louisiana Department of Insurance to investigate reimbursement of provider fees by insurance or third party payors to pharmacy providers as mandated in LSA-R.S. 46: 2625. In order to assure compliance with LSA-R.S. 46: 2625 and Senate Resolution Number 53, the Department of Insurance hereby issues this directive.

All insurers, health maintenance organizations, third party administrators and self-insurance funds providing coverage of prescription drugs are hereby directed to comply and provide written confirmation to the Department of Insurance, Office of Health, that they are in compliance with LSA-R.S. 46: 2625.

LSA-R.S. 46: 2625 provides for fees on health care services provided by the Medicaid Program, and states the following:

A. (1) The Department of Health and Hospitals is hereby authorized to adopt and impose fees for health care services provided by the Medicaid program on every nursing facility, every intermediate care facility for the mentally retarded, every pharmacy in the state of Louisiana and certain out-of-state pharmacies, dispensing physicians, and medical transportation providers. The amount of any fee shall not exceed the total cost to the state of providing the health care service subject to such fee. In addition, the amount of the fees imposed under the rules and regulations adopted shall not exceed the following:

- (a) Ten dollars per occupied bed per day for nursing facilities
- (b) Thirty dollars per occupied bed per day for intermediate care facilities for the mentally retarded.
- (c) Ten cents per outpatient prescription.

- (d) Ten cents per outpatient out-of-state prescription.
- (e) Ten cents per out-patient prescription dispensed by dispensing physicians
- (f) Seven dollars and fifty cents per medical service trip for medical transportation providers.

(2) Any fee authorized by and imposed pursuant to this Section shall be considered an allowed cost for purposes of insurance or other third party reimbursements and shall be included in the establishment of reimbursement rates.

Any of the above entities failing to comply with this directive shall be reported to the legislature in a report issued by the Department of Insurance. Please be guided accordingly.

BY:



J. ROBERT WOOLEY
ACTING COMMISSIONER OF INSURANCE